WESTMINSTER PRESBYTERIAN CHURCH
GIFT ACCEPTANCE POLICIES AND PROCEDURES

Introduction

This statement of the policies and procedures under which Westminster Presbyterian Church (“WPC” or the “Church”) will gratefully accept gifts of various kinds was adopted by its Trustees and Session to encourage and facilitate the gift giving process and to promote creative stewardship. Therefore, this statement is to be interpreted liberally to make it possible for donors to achieve their goal of furthering the Church’s ministry and mission through their generous gifts.

WPC particularly endorses and encourages planned giving. A planned gift is a gift completed with the right asset, in the most advantageous form, at the most appropriate time for the maximum benefit to the donor and the Church. Planned gifts can be outright, in trust, by will or in some combination. Such gifts enable donors to accomplish tax and personal planning for the financial security of themselves and their families as well as to further the mission of the Church. Examples of planned gifts are donations of marketable securities, a will bequest, naming the Church as the beneficiary of an insurance policy or an IRA, the creation of a charitable remainder trust or other types of creative financial vehicles.

General Principles

WPC encourages and accepts gifts for the purpose of supporting the Church’s programs, ministry and mission and providing for the upkeep, maintenance and enhancement of the physical facilities of the Church. Gifting opportunities include:

1) WPC annual budget pledging;
2) Capital improvements or expansion campaigns;
3) Building the WPC endowment;
4) Supporting special pleas in times of need;
5) Special projects available to enhance or maintain the Church building and properties;
6) Special offerings such as One Great Hour of Sharing and Christmas Eve;
7) Memorial gifts; and
8) Gifts for special purposes or projects envisioned by the donor that meet the approval of the Trustees and Session of WPC.

Gifts may be made outright, as planned gifts, or as gifts deferred in wills and trusts or contingent on future events. Gifts may be made with various kinds of assets. This statement of the policies and procedures under which WPC will accept such gifts applies to all gifts made to the Church.

It is not possible to set out policies and procedures that cover or anticipate every gift circumstance that may be proposed, and the Church encourages innovative gifting ideas. These criteria are intended to cover some of the more common gifting situations and provide general guidelines. It is recognized that some deviation from these standards may be necessary or desirable to meet specific circumstances or changes in the tax laws or Church policy. However it is expected that these standards will provide useful guidance to potential donors in planning their gifts.
All gifts must be consistent with WPC policies, goals and missions as established from time to time by its Session as well as those policies established by the General Assembly of the PCUSA or as set out in the Book of Order.

WPC reserves the right to decline any gift that in any way detracts from its purpose, long range goals, character, integrity, or independence. WPC will not accept gifts that violate its ethical, moral, social or theological standards or require discrimination based on impermissible characteristics such as race, national origin, gender, sexual orientation or political persuasion. WPC may refuse to accept gifts which could cost the Church more than the value of the gift, are expected to cause undue use of Church resources and personnel or which could subject the Church to legal liability or result in unfavorable publicity.

All gifts will be classified as unrestricted unless made in response to an announced campaign or if the donor has expressly specified one or more restrictions on the use of the gift. Any such restrictions on the use of the gift must be approved by the Trustees and the Session before the gift is accepted.

Donors are encouraged to recognize that many years may pass after the gift is made, and the needs, policies, missions and circumstances of the Church may change in unforeseen ways. The Trustees and Session must make use of funds in the best interests of WPC under the then current conditions and in accord with the donor’s intent. Thus donors are encouraged to avoid excessively detailed limitations and restrictions on their gifts.

All gifts shall be deemed irrevocable unless otherwise agreed by the Church.

WPC will not accept a gift that will produce Unrelated Business Taxable Income (“UBTI”) to the Church.

Property contributed to WPC will be acknowledged by letter describing the property donated. It will be the sole responsibility of the donor to obtain the necessary appraisals to conform to applicable tax laws and regulations to achieve a charitable deduction. The expenses in obtaining the appraisals will be the responsibility of the donor.

The Church’s Commitment to the Donors

By accepting a gift, the Church will adhere to the following principles and guidelines:

1) WPC recognizes it has a commitment to honor the expressed intent of the donor to the fullest extent possible consistent with the policies and procedures set out in this statement.
2) WPC shall use gifts that are accepted for the purposes designated by the donor or as set forth in any offering or solicitation materials or in the official acceptance of the gift.
3) WPC shall safeguard the donor’s privacy and other confidential information furnished by the donor. However, subject to the donor’s paramount concern for privacy, WPC believes it fitting and proper to recognize and honor the generosity and faithfulness of its donors as examples of good Christian stewardship and as encouragement to others to make gifts.
4) The donor or the donor’s legal representatives shall have the right to approve or disapprove disclosure of the donor’s identity and any public announcement or recognition of the gift.
5) Payment of pledges to the annual stewardship campaign or special capital campaigns will be acknowledged quarterly in writing.
6) Acceptance of gifts not in fulfillment of pledges (other than anonymous gifts and unsolicited cash or checks under $250 placed in the collection plate) will be confirmed in writing in due course.
7) Any restriction on the gift accepted by the Trustees and Session of the Church will be confirmed in writing and will be observed to the best of the Church’s ability.
8) Gifts of property other than those to be used by the Church in its work will be sold as deemed appropriate by the Trustees and the proceeds used as the donor directs. If the donor does not so direct, the proceeds will be used as determined by the Trustees and Session.
9) WPC will not assign values to any gift other than cash. Any required appraisals are the responsibility of the donor.
10) WPC is unable to assure that the donor will receive any specific tax benefits that may have been a motivating factor for the gift.
11) WPC will provide knowledgeable staff to answer questions and provide information to prospective donors to plan and facilitate their gifts.
12) WPC encourages donors to consult with their financial and legal advisors as to the tax and other personal financial consequences of the gift.
13) WPC will follow all applicable laws relating to charitable giving and fund raising activities.
14) The Trustees and Session of WPC will reexamine these policies and procedures from time to time in order to consider making necessary changes and improvements to assure affording donors optimum giving opportunities.

**Gifts of Liquid Assets**

Gifts of cash, checks and marketable securities and the like in any amount can be accepted routinely, so long as they meet the criteria of this statement. WPC encourages such gifts as the most effective way for donors to further the work of the Church.

Gifts of checks should be made payable to “Westminster Presbyterian Church.”

Such gifts are effective on receipt and are subject to collection.

**Gifts of Marketable Securities**

Gifts of “marketable securities” are stocks and bonds regularly listed and traded on a public stock exchange in the US, and federal, state and local governmental issues such as bonds, bills and notes that can be assigned. WPC will routinely accept such marketable securities. WPC encourages donors to take advantage of certain tax benefits that may be available to donors of appreciated marketable securities. It is WPC policy to convert marketable securities to cash promptly on receipt. If marketable securities are given to satisfy a pledge, the pledge account will be credited with the net proceeds received by the Church.

For certificated marketable securities that are hand delivered, the date of the gift is the date the certificates are delivered to the Church together with a duly authenticated stock power. If the certificates are mailed to the Church, the date of the gift is the date that the envelope containing the
certificate and power are received by the Church. The Church recommends that the duly authenticated stock power be mailed to the Church under separate envelope from the certificate, and in such case, the date of the gift for acknowledgment purposes will be the date whichever of those documents is last received by the Church. Where the donor arranges transfer of ownership of the security to the Church by a transfer agent, and a new certificate is issued in the name of the Church by the agent, the date of the gift will be the date the newly issued certificate is received by the Church.

Uncertificated securities may be electronically transferred from the donor’s brokerage account to the Church’s brokerage house. In such cases, the date of the gift will be the date on which the securities are received in the Church’s account. Donors should contact the Church Administration Director to obtain instructions regarding the securities to be transferred.

**Gifts of Closely Held Securities and General Intangibles**

Closely held securities are shares of stock, bonds, partnership interests, limited partnership interests, limited liability company interests and the like that are not regularly traded on an exchange. General intangibles are such items as promissory notes, accounts receivable, oil and gas interests, patents, royalties, trademarks and copyrights. These gifts by their nature present special difficulties for the Church to process and use. Gifts of such securities and intangibles must be approved by the Trustees and Session and will undergo close scrutiny. In general, such gifts will not be accepted unless a method to liquidate them promptly for cash through redemption or sale has been identified prior to the gift, and the acquisition of such securities and intangibles does not involve financial risk or legal liability to the Church. The donor is expected bear all the costs to transfer such securities, including the cost of any professional services required by the Church to advise the Session and Trustees that the transfer complies with all applicable laws. The donor shall be responsible to obtain any necessary appraisal of the gift that meets the requirements of applicable tax laws and regulations.

**Gifts of Tangible Personal Property**

Gifts of tangible personal property include works of art, antiques and collectibles, books, automobiles, documents, jewelry, equipment, office furniture, furnishings and supplies, computer equipment, clothing, food items, memorabilia and the like. In general, such gifts (other than antiques and collectibles restricted by the donor for later sale or use only by the Church) may be accepted in the discretion of the Church staff who may evaluate the utility, desirability and appropriateness of such gifts to the operation and mission of the Church or the ability to sell such items promptly without burdensome effort. Gifts which are perishable or which require special facilities or security measures will be carefully examined. It is the obligation of the donor to obtain an appraisal of such gifts.

Unless otherwise agreed by the Trustees and Session, gifts of works of art, antiques and collectibles not to be sold immediately will be accepted with the understanding that the Church has no obligation to publicly display such items in the future and they may be sold, traded or otherwise disposed of at any time without the consent of the donor or the artist.

These guidelines are not intended to apply to gifts of antiques and collectibles or other tangible personal property donated in connection with the bazaar or similar fundraising events or food and clothing donated in connection with mission projects.
Gifts of Real Estate

Gifts of real estate include residential properties of all kinds, vacant land, condominiums, cooperatives, office, commercial and industrial properties, fee and leasehold interests in property as well as present or future interests in real estate through trusts, partnerships, corporations and the like. Gifts of real estate present special concerns to the Church and will be accepted only by express approval of the Trustees and Session with advice from its legal counsel. The following are general policies in connection with acceptance of gifts of real estate:

1) It is the sole responsibility of the donor to obtain appraisals consistent with IRS requirements.
2) The Church must be furnished with a “Phase 1” environmental audit performed by an environmental engineer satisfactory to the Church at the expense of the donor. The Church reserves the right to decline any gift of property that may contain any hazardous materials, substances, or toxic waste.
3) Prior to making the gift, the Church must be provided with a commitment for a title insurance policy by a title insurance company licensed in the State of Delaware showing all exceptions to title. If the gift is accepted, the Church will be provided with a policy of title insurance in the face amount of the appraised value of the gift subject only to such exceptions approved by the Church.
4) The Church will not accept real estate that contains enforceable restrictive covenants or zoning limitations that are illegal, unconstitutional, or violate ethical and moral principles of the Church or unduly limit the utility or marketability of the property.
5) The donor must agree to indemnify and hold the Church harmless from liability for claims arising out of occurrences, activities and conditions on the property prior to transfer of title to the Church including liability for environmental matters.
6) All costs to search the title to the property, issue a commitment and title insurance policy, and convey title to the Church or its nominee, including transfer taxes, shall be borne by the donor.
7) The donor shall pay the costs and expenses of the Church’s independent legal counsel if such counsel is retained.
8) The Church will not pay any broker fee in connection with the conveyance to the Church. Broker’s fees for sale by the Church will be paid by the Church or the eventual purchaser.
9) Unless WPC determines to use the real property in the ministry and mission of the Church, the donor is expected to pay all costs of real estate taxes, condominium and similar community maintenance assessments, casualty insurance premiums and any mortgage or lien obligations not discharged or otherwise provided for prior to conveyance to the Church until the property is sold.
10) WPC will not accept any real estate which is subject to outstanding mortgages or other liabilities which it would have to assume or pay on a current basis.
11) WPC will not accept any property which it considers, in its sole discretion, would be difficult to sell, or which requires substantial maintenance, improvements or repair to sell or which presents practical problems to sell because of its location.
12) Real estate which produces rental or business income or Unrelated Business Taxable Income or which is subject to leases shall be subject to special attention by the Trustees and Session and the Church’s legal counsel.
Life Insurance Policies

Gifts of ownership of life insurance policies or beneficiary interests in such policies offer significant gifting opportunities at relative modest cost to the donor and will normally be accepted routinely.

The most effective gift is for the donor to irrevocably assign to, or designate Westminster Presbyterian Church as the owner and primary beneficiary of, a whole or universal life policy, whether paid up or not. The cash value of the policy will be deemed a present gift. The Church reserves the option under the circumstances to continue to pay the premiums and receive the full face value of the policy upon the donor’s death, or to convert the policy to paid-up insurance in a reduced amount and make no further premium payments or to surrender the policy for its present cash value.

WPC may also be named the primary or contingent beneficiary of a whole life policy owned by another or a term policy, but it shall not be obligated to pay the premiums.

Before making gifts of life insurance, the donors are encouraged to consult with the Church Administration Director.

401(k) Retirement Benefit Plans and IRAs

Naming the Church as the death beneficiary of a 401(k), 403(b) or similar retirement plan or conventional (i.e. non-Roth) IRA account can be a way to make an effective and substantial gift to the Church and also achieve tax benefits. In general, contributions to such plans were deducted from the donor’s gross taxable income, and earnings accumulate tax free. If the Church is named as the beneficiary upon the donor’s death, the full value of the account is excluded from the donor’s estate taxes and will not be subject to income tax because the Church is a tax exempt institution. An IRA can be rolled over to a surviving spouse’s IRA account, in which case the surviving spouse can then name the Church as the ultimate beneficiary.

The 401(k) or IRA account should not be donated directly to the Church since it would be treated as a withdrawal and subject to tax.

There is no income tax advantage to the donor in naming the Church as the death beneficiary of a Roth IRA because contributions to a Roth IRA are not deducted from the donor’s gross taxable income and withdrawals by the donor during his or her lifetime are not subject to income tax. Naming the Church as the death beneficiary of a Roth IRA reduces the donor’s estate subject to estate taxes by the full value of the IRA account.

To make the gift, one need only to sign a change of beneficiary form provided by the plan administrator or sponsor of the plan or IRA. The Church Administration Director can assist.

Wills and Remainder Interests in Trusts

Gifts to the Church made in wills or trusts are completed only on death of the donor or a surviving primary beneficiary. These gifts may provide a specific dollar amount, a percentage of the estate or designate specific securities or property. Such bequests may restrict the gift to a specific purpose or
provide for contingent beneficiaries. WPC will ordinarily accept being the beneficiary of a will or a remainder interest in a trust (or a term of years in the case of a lead trust) that meets the criteria of these policies and procedures.

Unrestricted bequests are normally added to the Church’s unrestricted endowment.

Because provisions for restrictions or limitations on the use of gifts contained in bequests to the Church in wills or trusts may not be known until the donor’s death, and may not become effective for many years, they may not be appropriate due to changed circumstances. Other than outright unrestricted bequests of money or securities in designated amounts or percentages, the Church urges the donors and their advisors to consult with the Church Administration Director in formulating a mutually beneficial plan and appropriate document language to assure that the donor’s intent will be carried out and the gift will be accepted upon the death of the donor.

Bequests should be to “Westminster Presbyterian Church of Wilmington Delaware or its successor.”

In the event of substantial changes in circumstances in the future, the Trustees and Session reserve the right to seek court approval to modify or amend any restrictions in wills or trusts that were accepted at the time the gift was made.

Neither WPC nor its staff nor its officers may serve as the trustee of a charitable trust. WPC suggests that a trust company or a charitable foundation such as the Presbyterian Foundation serve as trustee.

WPC does not currently issue gift annuity contracts or sponsor a pooled income fund.

Charitable Remainder Trusts

Charitable remainder trusts (“CRT”) are irrevocable arrangements that pay income to the donor or other beneficiaries for life or a term of years (or in the case of a charitable lead trust, pays income to the Church for a term of years with the remainder to persons designated by the donor). At the end of the term of the trust, the remainder of the trust assets held in the CRT is paid to the Church. Such arrangements offer attractive gifting, personal, tax and financial planning benefits to donors and their families. Donors are encouraged to consult with their financial and legal advisors. The Church Administration Director can assist prospective donors in finding help to facilitate their gifts.

There are several tax advantaged charitable trust formats available depending upon the donor’s personal and financial concerns and goals. A charitable remainder annuity trust pays the beneficiary a fixed amount each year, and, at its termination, the remaining principal passes to the Church. A charitable remainder unitrust is similar except that the beneficiaries are paid a percentage of the trust assets each year. A charitable gift annuity provides for a fixed annual annuity for the lifetimes of the beneficiaries. A charitable lead trust creates an income interest in the Church for a period of time with the remainder interest reverting to the donor or another beneficiary.

Charitable remainder trusts must comply with requirements of the Internal Revenue Code and Regulations as well as IRS publications and court decisions in order to achieve the tax benefits that donors anticipate. Therefore, the assistance of qualified financial and legal advisors is essential.
Church Resources

Donors may take advantage of a number of Church resources available to plan and facilitate their gifts.

Donors may discuss the needs of the Church and its mission and goals with any of the pastors by making an appointment with the Administrative Secretary.

The Church Administration Director is available to assist with planning and implementing a gift.

Members of the Planned Giving Committee of the Board of Trustees are also available to assist with resources for making a planned gift.

IMPORTANT NOTICE TO PROSPECTIVE DONORS

Prospective donors are advised that any information set out in this statement concerning possible tax or financial benefits of certain gifts has been prepared to the best of the drafters’ knowledge, information and belief, and is for illustrative purposes only. No assurance can be made that such information is totally accurate or complete or that it is necessarily in accord with revisions to the applicable tax and federal and state laws. Therefore, donors are urged to obtain current and complete advice from their legal and financial advisors.